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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of)	Docket No. 03-0371
)	
PUBLIC UTILITIES COMMISSION)	
)	
Instituting a Proceeding to Investigate)	
Distributed Generation in Hawai'i.)	
)	
_____)	

COUNTY OF KAUA'I'S RESPONSES TO THE
INFORMATION REQUESTS OF THE LIFE OF THE LAND

AND

CERTIFICATE OF SERVICE

The County of Kaua'i (Kaua'i County) submits the following in response to the
Information Requests (IRs) of the Life of the Land (LOL).

Dated: Līhu'e, Kaua'i, Hawai'i, June 16, 2004.

Lani D. H. Nakazawa
LANI D. H. NAKAZAWA
CHRISTIANE L. NAKEA-TRESLER
Attorneys for the County of Kaua'i

LOL-SOP-IR-41

(a) How much money is exported from the Kaua'i County each year to buy fossil fuels for electric power production? (b) Utilizing economic multiplier analysis (direct and indirect monetary flows), what would the economic impact be of keeping that money within Kaua'i County, by purchasing local renewable energy?

Response to LOL-SOP-IR-41

(a) Kaua'i County does not have access to the information necessary to answer this question.

(b) Kaua'i County does not have access to Input-Output modeling to provide estimates of economic impact and reasonably accurate estimates of economic multipliers. The private sector tends to use economic multipliers that range from 1.5 to 2.0. To be accurate, multipliers must be based on a thorough understanding of all of the underlying interconnected activities that make up the activities of the region. It is very difficult to do an accurate economic analysis projection for renewable energy purchases without agreement as to the specific assumptions and interconnections. In this specific case, economic impact is also dependent on such factors as the developers (local or otherwise), landowners, equipment suppliers, skilled construction labor, and maintenance providers. What can be assumed in general is that the purchase of local renewable energy would keep more money in the local economy than fossil-fuel generated power production as

long as the operation and maintenance is done by on-island workers. The cost of fuel would not leave the island as in the case of oil-fired generation.

Respondent/witness: Glenn Sato

LOL-SOP-IR-42

A Virtual Power Plant (VPP) refers to a network of grid-connected, utility-controlled, economic-dispatchable, peak load providing generators. Does the county support the Virtual Power Plant concept?

Response to LOL-SOP-IR-42

In theory, the Virtual Power Plant (VPP) concept has merits, but its inherent value depends on the local power situation. The concept makes good sense if demand is very close to generation capacity. VPP could be a valuable utility tool to defer capacity additions. Logically, the right sized generators would also need to be available. It does not make good sense for the utility to spend money to set up the Virtual Power Plant if the utility has excess generating capacity and satisfying peak demand is not problematic.

Respondent/witness: Glenn Sato

LOL-SOP-IR-43

Does the county support wheeling?

Response to LOL-SOP-IR-43

Kaua'i County supports government wheeling under the oversight of the Hawai'i Public Utilities Commission (PUC). PUC oversight will ensure protection of the utility as well as consumer/ratepayer/stockholder/member concerns. In the regular Legislative session of 2004, Kaua'i County presented testimony supporting Senate Bill No. 2470 and House Bill No. 2966 which would have allowed government entities to transmit electricity produced by renewable sources over the existing transmission and distribution lines of an electric public utility to other locations owned and operated by the entities.

Respondent/witness: Glenn Sato

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing County of Kaua'i's Responses to the Information Requests of the Life of the Land, together with this Certificate of Service, were served by first class mail, postage prepaid to the following on
June 16, 2004:

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Dated: Līhu'e, Kaua'i, Hawai`i, June 16, 2004.

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